

DRAFT MINUTES
TOWN OF DARIEN
CONSOLIDATED SERVICES WORKING GROUP
SPECIAL MEETING
MARCH 25, 2015

A special meeting of the Consolidated Services Working Group was held on Wednesday, March 25, 2015. In attendance were CSWG members: First Selectman Jayme Stevenson; Selectman Jerry Nielsen; Board of Education members Michael Harman and Callie Sullivan; and Board of Finance member Frank Huck. Also in attendance were: Selectman Susan Marks; Board of Finance Chairman Liz Mao; Board of Education Chairman Betsy Hagerty-Ross; Interim Superintendent Dr. Lynn Pierson; BOE Director of Finance Mike Feeney; Town Director of Finance Kate Buch; Arch Henderson and Debra Testa of Lockton Companies; Consultants Joe Fields and Tom Lally and Employee Jack Whitehead.

CALL TO ORDER

Frank Huck, as the Chair of CSWG, called the meeting to order at 10:06 a.m. in Room 206 of Town Hall.

NEW BUSINESS

The attendees introduced themselves and Mr. Fields began the discussion by providing his background and explaining that he and Mr. Lally were present as consultants for the BOE. He stated that the Town and the BOE have very different approaches to health insurance coverage. The BOE changes carriers every three years or less. The Town generally keeps a carrier for a longer period of time. The BOE gets a first year fixed low rate and a max cap for the second year. After the contracted years the rates traditionally go up significantly and this generates a bid proposal for another carrier.

The Board of Education enrolls roughly 600 employees under six negotiated contracts. The teachers normally set the first agreement and the others roll into similar agreements. Mr. Fields stated that the BOE operates at a negative expense factor with regards to health insurance.

The Lockton Company representatives, Arch Henderson and Debra Testa, articulated the mitigating factors in obtaining the Town's health insurance coverage for employees. Both Mr. Henderson and Ms. Testa are experienced employee benefits advisors and additionally Mr. Henderson has experience as an underwriter which helps him understand the perspective of the carriers in regards to the needs and desire of the Town.

Mr. Henderson detailed how self-insured programs operate and the risk factors that a self-insurer may assume in a high claims year. If the Town went with a self-insured plan, employees' claims would basically be processed in the same manner with a carrier, but if the claims in a particular year exceeded budgeted costs the town would assume those costs.

There are four basic carrier options in our area for the Town and BOE: Aetna, Cigna, Anthem and ConnectiCare. Mr. Fields, Mr. Henderson and Ms. Testa agreed that it's relatively seamless for the employees if carrier changes are made because provider enrollment is 97%-99% compatible. Ms. Testa remarked that were the Town and BOE to merge as one unit for health care services it would need to be a truly single entity. East Hartford is a successful model.

Mrs. Stevenson believes that with a review of the health insurance numbers for the Town and BOE (because the BOE presently put out a health insurance bid, its carrier Aetna declined to provide statistical data at this time) they may find ways to ease the burden to taxpayers. The goal of this committee is to find efficiencies in shared services that relieve taxpayers while maintaining commitments to employees and residents. She suggested the Board of Finance oversee health care costs, rather than the Town and BOE each working separately.

There was some group discussion about the need and effectiveness of Wellness Programs, the impact of the Cadillac Tax and the cost of health care services in Fairfield County.

NEXT MEETING

Mrs. Stevenson asked that this health care discussion be continued. Mr. Huck stated that it will be added to the agenda and that facility management will be the primary focus of the next meeting tentatively scheduled to be held on Wednesday, April 22, 2015 at 10:00 a.m. in Town Hall.

Ms. Mao thanked all the experts in attendance for their valuable input. This sentiment was reiterated by the members of the committee.

Mr. Huck adjourned the meeting at 11:46 AM.

Respectfully submitted,

Linda O'Leary
Recording Secretary